



US Masters Residential Property Fund (Fund) ASX Code: URF

Investment and NTA Update – 31 May 2019

NTA Update

The estimated unaudited net tangible assets before withholding tax on unpaid distributions as at 31 May 2019 was \$1.59* per unit.

If estimated tax on unrealised portfolio gains or losses were recognised, the estimated unaudited post-tax net asset value before withholding tax on unpaid distributions as at 31 May 2019 would be \$1.39* per unit.

Property Portfolio Update

The Fund closed on the sale of two properties, including the second of three units that were converted to strata title from what was previously a three family home. The total sales price in connection with these disposals was \$812,500.

Fund Update

The Fund announced earlier today the results of the strategic review. Included in that announcement was notification of commencement of repayment of the URFHB Notes prior to their final maturity date of 24 December 2020, the announcement of a distribution of 1 cent per ordinary unit, and confirmation of no change to the distribution for convertible step-up preference units.

Under the terms of the URFHB Notes, the principal amount of the notes can begin to be repaid, in advance of the maturity date, from the first call date (24 December 2018) and any quarterly interest payment date thereafter. The strategic review announcement to commence property sales will release funds to enable part repayment of the notes. The first of these repayments will be a minimum of \$33 per note and will be made on the September quarterly interest payment date on 30 September 2019. Subsequently the outstanding face value of the notes will be reduced by this repayment amount from the September repayment date. Further repayments will be made on future quarterly repayment dates until the notes are fully repaid.

The terms of the URFHC Notes provide a similar provision for early repayment. The first opportunity to do this will be on 24 December 2019.

Noteholders will continue to receive interest payments on the outstanding principal amount of URFHB and URFHC Notes on each quarterly payment date.

*Source: Walsh & Company Investments Limited – the historical performance is not a guarantee of the future performance of the Portfolio or the Fund.

US Masters Residential Property Fund is the first Australian-listed entity with the primary strategy of investing in the US residential property market. Its portfolio comprises freestanding and multi-dwelling properties in the New York metropolitan area.